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Zoellick Joins Launching of U.S.-Bahrain FTA Congressional Caucus

FTA Would Expand U.S. Exports to Key Regional Economic Hub

WASHINGTON - U.S. Trade Representative Robert B. Zoellick joined Representatives Paul Ryan (R-WI) and Jim Turner (D-TX) in the launching of the Bahrain Congressional Caucus today on Capitol Hill. Also in attendance were Bahrain's Minister of Finance and National Economy Abdulla Hassan Saif and representatives from the U.S.-Bahrain FTA Business Coalition, which is co-chaired by Alcoa and Citigroup and currently has 50 members. The launch of the Bahrain Congressional Caucus coincides with the second round of FTA negotiations between the United States and Bahrain, which started March 1 in Washington, D.C.

"The successful conclusion of a high quality U.S.-Bahrain FTA will expand export opportunities for America's farmers, workers and businesses and improve U.S. access to a regional economic hub," said Zoellick. "Today's launch of the Bahrain Congressional Caucus is a clear signal of the strong support in the Congress for an FTA with Bahrain."

"Last May President Bush proposed an initiative for creating prosperity, opportunity and hope in the Middle East and the Gulf Region, leading to the establishment of a Middle East Free Trade Area (MEFTA) by 2013," said Zoellick. "An FTA with Bahrain, following the FTA with Morocco that we completed yesterday, would be a strong step in moving that vision forward. Bahrain has shown that it is committed to reform, and we are equally committed to joining with them in opening markets."

Bahrain is part of U.S. efforts to expand trade bilaterally. New and pending FTA's, taken together, constitute America's third largest export market and the sixth largest economy in the world.

Negotiations on the U.S.-Bahrain Free Trade Agreement commenced in January 2004 in Bahrain and should be completed before the end of this year. The FTA negotiations include thirteen working groups: Services, Financial Services, Telecommunications and E-Commerce, Sanitary and Phytosanitary Measures (SPS), Environment, Government Procurement, Legal, Technical Barriers to Trade (TBT), Customs, Market Access (both industrial and agricultural products), Intellectual Property Rights (IPR), Textiles, and

Labor. The U.S.-Bahrain FTA Business Coalition represents a broad range of industries including construction, energy, services, autos, pharmaceutical, information technology, and defense companies.

Background

U.S.-Bahrain Free Trade Agreement

U.S. goods exports to Bahrain in 2003 totaled \$509 million, including aircraft, machinery, vehicles, pharmaceutical products, and toys, games and sports equipment. Agricultural commodities that could benefit from an FTA include U.S. meats, fruits and vegetables, cereals, and dairy products. The U.S. is seeking to eliminate tariffs and other duties on trade between Bahrain and the United States on the broadest possible basis, improve intellectual property rights protection, and eliminate barriers in Bahrain's services markets. Bahrain's goods exports to the United States in 2003 totaled \$378 million, including articles of apparel and clothing accessories, aluminum, fertilizers, organic chemicals, mineral fuels and oils, plastics, and electrical machinery.

Since beginning a robust economic dialogue with the United States in June 2002, Bahrain has joined the WTO Information Technology Agreement, committing it to zero tariffs in computer, telecommunications and related products, provided an open environment for electronic commerce, taken initial steps to join and implement the World Intellectual Property Organization (WIPO) Internet treaties, and pledged to treat agricultural biotechnology fairly. Bahrain has also liberalized its telecommunications market and passed legislation for transparent government procurement and labor rights. An FTA will support continued economic reform and investment opportunities in Bahrain, as well as Bahrain's commitment to transparency, openness and the rule of law.

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